

**ORDINANCE 20-031**

**AN ORDINANCE ORDERING THE HOLDING OF A SPECIAL ELECTION IN THE CITY OF KILLEEN, TEXAS, TO CONSIDER A COMBINED PROPOSITION ABOLISHING THE ADDITIONAL SALES AND USE TAX WITHIN THE CITY OF KILLEEN AND ADOPTING A SALES AND USE TAX WITHIN THE CITY OF KILLEEN AT A RATE OF ONE AND ONE-HALF PERCENT; SPECIFYING THAT THE PROVISIONS OF THE GENERAL ELECTION LAWS SHALL CONTROL ALL QUESTIONS PERTAINING TO SUCH ELECTION; IDENTIFYING EARLY VOTING CLERK; PRESCRIBING THE CONTENTS OF THE OFFICIAL BALLOT; DESIGNATING THE EARLY VOTING POLLING PLACES, AND PROVIDING FOR POSTING AND PUBLICATION OF NOTICE OF ELECTION AND CONTAINING MISCELLANEOUS PROVISIONS.**

**WHEREAS**, on January 28, 2020, the City Council passed Ordinance 20-004, which ordered a special election to be held on May 2, 2020, for the purpose of considering a combined proposition abolishing the additional sales and use tax within the City of Killeen and adopting a sales and use tax within the City of Killeen at a rate of one and one-half percent; and

**WHEREAS**, on March 13, 2020, Texas Governor Greg Abbott issued a Disaster Declaration for the State of Texas related to the Covid-19 pandemic; and

**WHEREAS**, on March 18, 2020, Texas Governor Greg Abbott issued a proclamation suspending Section 41.0052 (a) and (b) of the Texas Election Code, thereby allowing political subdivisions of the state to move their general and special elections set on May 2, 2020, to the November 3, 2020, uniform election date, without otherwise adjusting the term of office; and

**WHEREAS**, on March 24, 2020, the City Council found that it was in public health, safety, and interest to postpone the May 2, 2020, special election for the consideration of a combined proposition abolishing the additional sales and use tax within the City of Killeen and adopting a sales and use tax within the City of Killeen at a rate of one and one-half percent to November 3, 2020 via Ordinance 20-013;

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS:**

**SECTION 1.** That, pursuant to the laws of the State of Texas and the Charter of the City of Killeen, it is ordered by the City Council that a special election be held in Bell County, Texas, on November 3, 2020, for the purpose of considering a combined proposition abolishing the additional sales and use tax within the City of Killeen and adopting a sales and use tax within the City of Killeen at a rate of one and one-half percent.

**SECTION 2.** Political subdivisions holding an election on the November uniform election date must use county election precincts and the county polling places on election day. Bell County has adopted the countywide polling place system which allows registered Bell County voters the ability to vote at any of the Bell County polling sites on election day. Pursuant to the Governor's March 18, 2020, proclamation suspending certain Texas Election Code provisions, all county election officers are required to contract with local political subdivisions that postponed their May 2, 2020 election and that request a contract for election services or a joint election agreement with their county election officer. The City of Killeen has requested election services from Bell County to conduct a joint election on November 3, 2020.

**SECTION 3.** The manner of holding the election and all questions pertaining to such election shall be governed by the V.T.C.A. Election Code, and the returns shall be made and canvassed and the results declared as in other legal elections of the City of Killeen.

**SECTION 4.** Each qualified voter who desires to cast an early vote or who expects to be absent on the date of the election shall be entitled to an official ballot and to cast such ballot in accordance with the applicable provisions of Title 7, V.T.C.A., Election Code, beginning October 13, 2020, and continuing through October 30, 2020. The Early Voting Clerk for Bell County is the Elections Administrator and the Main Early Voting Location for early voting is the Bell County Courthouse Annex, 550 East 2nd Avenue, Belton, Texas 76513. Early voting will be conducted in person, October 13, 2020 thru October 18, 2020 (days and hours to be determined); October 19, 2020 thru October 23, 2020 (Monday – Friday) from 8:00 a.m. – 5:00 p.m.; October 24, 2020 (Saturday) from 7:00 a.m. – 7:00 p.m.; October 25, 2020 (Sunday) from 12:00 p.m. – 5:00 p.m.; and October 26, 2020 thru October 30, 2020 (Monday – Friday) from 7:00 a.m. – 7:00 p.m., at the following locations:

Belton – Bell County Courthouse Annex, 550 East 2nd Avenue, Belton 76513

Killeen – Bell County Annex, 304 Priest Drive, Killeen, 76541

Killeen – Rosa Hereford Killeen Community Center, 2201 E. Veterans Memorial Boulevard, Killeen, 76543

Temple – Bell County Annex, 205 East Central Avenue, Temple 76501

Salado – Salado Church of Christ, 217 North Stagecoach Road, Salado 76571

Harker Heights – Parks & Recreation Center, 307 Millers Crossing, Harker Heights  
76548

Applications for ballot by mail may be mailed, faxed, emailed, or delivered by common or contract carrier to:

Bell County Elections Department

P. O. Box 1629

Belton, Texas 76513

Fax: 254-933-6754

Email: [melinda.luedecke@bellcounty.texas.gov](mailto:melinda.luedecke@bellcounty.texas.gov)

The deadline to submit an application for a ballot by mail (ABBM) is October 23, 2020. All ABBMs submitted for the May 2, 2020, election based on the applicant being over the age of 65 or due to disability will remain valid for the November 3, 2020, election; ABBMs for voters who submitted ABBMs based on expected absence from the city regarding the May 2, 2020, election will not be valid for the November 3, 2020, election.

**SECTION 5.** That the vote shall be upon an official ballot prepared in such manner as will permit the voters “FOR” or “AGAINST” the proposition submitted, with the proposition to be set forth on the official ballots in substantially the following form:

Proposition A

The abolition of the additional sales and use tax within the City of Killeen; and a sales and use tax is adopted within the City of Killeen at a rate of one and one-half percent (1.5%). The total sales tax rate will not change.

**SECTION 6.** All resident qualified electors of the City shall be permitted to vote at the election.

**SECTION 7.** The election materials enumerated in Sec. 272.001, et seq., V.T.C.A. Election Code, shall be printed and furnished in both English and Spanish for use at each polling place on election day and for early voting.

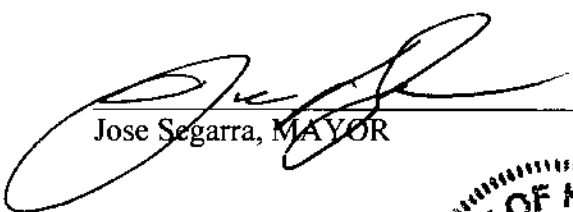
**SECTION 8.** Notice of election shall be given by posting substantial copies of the Notice of Election as prescribed by the Secretary of State’s office in both English and Spanish at the Killeen City Hall, the official city website and at three (3) other public places in the City at least thirty (30) days prior to the date set for the election; and substantial copies of the Notice of Election in both English and

Spanish shall be one time in a newspaper of general circulation in the City, the date of publication to be not less than fourteen (14) days prior to the date set for the election.

**SECTION 9.** Returns of election shall be made to the City Council at a meeting following the election; the returns will be canvassed and the results of the election declared as prescribed by the Election Code, V.T.C.A., of the State of Texas and the City Charter.

**PASSED AND APPROVED** at a regular meeting of the City Council of the City of Killeen, Texas, this 4th day of August 2020, at which meeting a quorum was present, held in accordance with the provisions of the Texas Government Code, Sec. 551.001, *et seq.*

**APPROVED**

  
Jose Segarra, MAYOR

**ATTEST:**

  
Lucy C. Aldrich, CITY SECRETARY

**APPROVED AS TO FORM**

  
Traci S. Briggs, CITY ATTORNEY



**CITY COUNCIL MEMORANDUM FOR ORDINANCE**

**DATE:** August 4, 2020

**TO:** Kent Cagle, City Manager

**FROM:** Traci Briggs, City Attorney

**SUBJECT:** Ordering for the November 3, 2020 Special Election to Consider Amending 0.5% of the Sales Tax Rate from Property Tax Relief to General Government Purposes

**BACKGROUND AND FINDINGS:**

On January 28, 2020, the city council passed ordinance 20-004, ordering a special election to be held on May 2, 2020, for the purpose considering a combined proposition amending 0.5% of the sales tax rate from Property Tax Relief to General Governmental Purposes. On March 18, 2020, following the Governor's disaster declaration for the State of Texas related to the COVID-19 pandemic, Governor Abbott issued a proclamation suspending Section 41.0052 (a) and (b) of the Texas Election Code, allowing political subdivisions to move their general and special elections set on May 2, 2020, to the November 3, 2020, uniform election date. On March 24, 2020, the city council postponed the May 2, 2020, special election to November 3, 2020, via ordinance 20-013.

Political subdivisions holding an election on the November uniform election date must use county election precincts and the county polling places on election day. Pursuant to the Governor's March 18, 2020, proclamation, if requested by the city, the county election officers are required to contract with local political subdivisions that postponed their May 2, 2020 elections. The City has requested election services from Bell County to conduct a joint election on November 3, 2020.

The Texas Legislature passed Senate Bill 2, also known as the Texas Property Tax Reform and Transparency Act of 2019, during the 2019 legislative session. Senate Bill 2 will affect the City by reducing the tax rate that may be adopted without voter approval (voter-approval rate, formerly known as the rollback rate), and the requirement to hold a mandatory election if the voter-approval rate is exceeded. For FY 2020, the City was able to raise up to 8.0 percent more maintenance and operations tax revenue as the year before after taking into account increases in appraisal valuations. This 8.0 percent ceiling will be reduced to 3.5 percent beginning in FY 2021 because of Senate Bill 2.

If the reduction in the tax rate ceiling to 3.5 percent had been in effect in FY 2020, the estimated impact would have been a loss of \$1.1 million in property tax revenue. Senate Bill 2 was not designed to reduce year-to-year property tax revenue. The intent of the bill is to

reduce the ceiling for year-to-year increases. The estimated loss in revenue is due to a portion of the City's sales tax being dedicated to property tax relief.

Since 1990, the City's local sales tax has been 1.5%, comprised of 1.0% for General Governmental Purposes and 0.5% for Property Tax Relief, referred to as an additional sales and use tax in the Tax Code. The Property Tax Relief portion of the City's local sales tax reduces the voter-approval rate ceiling by approximately 13 cents. In FY 2020, this 13 cent reduction would have reduced the voter-approval rate below the City's current tax rate, resulting in an estimated revenue loss of \$1.1 million.

Any further loss of revenue will have a significant impact on operations. The City's property tax revenue is already challenged by the disabled veterans' exemption. In FY 2020, property tax revenue loss due to the exemption was \$6.3 million. Adjusting for the State's reimbursement of \$3.2 million leaves a net loss of \$3.1 million or an equivalent of 5 cents on the tax rate. The estimated additional revenue loss from Senate Bill 2 will make it increasingly difficult to maintain the current level of services provided to Killeen's citizens.

The City has the option of holding an election for a combined proposition to change the 0.5% sales tax rate from Property Tax Relief to General Government Purposes. Doing so will result in:

- ☐ No change to the current sales tax rate;
- ☐ No change to the current property tax rate; and
- ☐ No new revenue.

Changing the sales tax rate from Property Tax Relief to General Government Purposes will prevent potential revenue loss estimated to have been \$1.1 million if Senate Bill 2 was in effect during FY 2020.

The Texas Election Code, Chapter 3, provides for the ordering of an election not later than the 78th day before the election date.

The attached ordinance has been prepared ordering the election for the purpose of citizen consideration of amending 0.5% local sales tax option of the sales tax rate from Property Tax Relief to General Government Purposes. The proposed ballot language meets the statutory requirements of the Tax Code.

#### **THE ALTERNATIVES CONSIDERED:**

There are no legal alternatives.

#### **Which alternative is recommended? Why?**

Staff recommends holding a November 3, 2020, special election for the purpose of citizens' consideration of amending 0.5% of the sales tax rate from Property Tax Relief to General Government Purposes.

**CONFORMITY TO CITY POLICY:**

This ordinance conforms to Article IX of the City Charter authorizing the ordering of an election to be held on a uniform election date provided for in the Texas Election Code.

**FINANCIAL IMPACT:**

**What is the amount of the expenditure in the current fiscal year? For future years?**

The estimated cost to conduct this election and the general election is \$5,000. The costs are related to publishing election notice in local newspaper, ballot printing and ballot machine programming. Bell County has budgeted for the cost of renting polling locations, and election judges and clerk's compensation; and the county does not intend to require sharing of costs for those services.

**Is this a one-time or recurring expenditure?**

This is a one-time expenditure with Bell County.

**Is this expenditure budgeted?**

Yes, funds are included in the proposed FY2021 budget, account 010-1010-416.50-45 Election Expense.

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

Yes, upon approval of the FY 2021 Budget.

**RECOMMENDATION:**

Staff recommends City Council approve the ordinance ordering a November 3, 2020 special election to consider Proposition A amending 0.5% of the sales tax rate from Property Tax Relief to General Government Purposes.

**DEPARTMENTAL CLEARANCES:**

Finance  
City Attorney